

FISCAL NOTE

TO: Chief Clerk of the Senate
Chief Clerk of the House

FROM: James A. Davenport, Executive Director

DATE: February 12, 1996

SUBJECT: **SB 2996**

This bill, if enacted, will allow for a retirement incentive bonus plan for Public Service Commission employees who are eligible to draw service or early service retirement benefits on or before July 1, 1996. To receive the bonus, the employee must terminate active state employment before July 1, 1996. The bonus shall be equal to five thousand dollars (\$5,000), plus the longevity pay the employee would have received during the 1996-1997 fiscal year, if the employee had continued to work. Payment to the employee shall be made after July 1, 1996.

The fiscal impact from enactment of this bill is estimated to result in a maximum one-time increase in state expenditures of approximately \$338,000 for the \$5,000 retirement incentive bonus and longevity pay for approximately 50 Public Service Commission employees. The maximum increase assumes that all 50 employees eligible to receive the retirement incentive bonus will retire. The actual impact will be approximately \$6,800 per employee applying for such retirement incentive bonus.

The fiscal impact to the pension plan is estimated to be not significant, since a small number of employees will not significantly change the pattern of retirement to the overall pension plan.

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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